

ASSESSMENT REPORT

Consistency, Confidence and Cost-Savings

Through County-Wide Assessing

JUNE 2012

COUNTY OF ULSTER

Office of the Comptroller

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Assessment Basics

Property assessments are conducted periodically to assess the value of real estate in order to determine the property tax burden for the parcel.

Not all properties are assessed at market value. An equalization rate is the percentage of the market value of a property that the property's assessed value accounts for. Equalization rates have the purpose of converting a property's assessed value to the true value of the property. This way, a county can aim to equalize taxation on all municipalities, and properties, even if their last date of reassessment varies.

"Understanding the Equalization Rate," November 2011, The New York State Department of Taxation and Finance

Assessment in the State of New York

An assessing unit is a city, town, village, or combination thereof, with the power to assess real property.

As an example, the Village of Ellenville is its own assessing unit, while the Village of New Paltz and the Village of Saugerties have allowed their respective towns to overtake their assessing duties.

According to the New York State Office of Real Property Services (NYSORPS), there are approximately 1,110 assessing units in New York State. New York is one of only seven states that have over 500 assessing units. The majority of states have less than 100 assessing units, and 33 states maintain a countywide assessing function.

According to the New York State Office of the State Comptroller, on average in New York State, municipalities that share assessors save about \$2.05 per parcel in assessment costs.

Currently three assessors are responsible for assessing multiple municipalities in Ulster County. The Town of Kingston and the Town of Ulster share the same assessor. The Town of Denning, the Town of Wawarsing, and the Village of Ellenville also share a common assessor. Most recently, the Town of Plattekill and the Town of Rosendale have agreed to share an assessor. All other assessors are responsible for one municipality. With the exception of the Town of Shandaken with a three person elected assessor board, all other municipalities have an appointed assessor on a six-year term.

Tompkins County and Nassau County are the only counties in New York State with a countywide assessment function in which the county is responsible for property assessments rather than municipalities.

Why is assessment of concern to Ulster County?

As of May 2011, there are 87,069 parcels in Ulster County in twenty towns, three villages, and the City of Kingston. Some towns have not reassessed (also referred to commonly as “revalued”) since before 1980, while many other municipalities reassessed just last year.

Of the 57 counties in New York State, Ulster County has the 19th highest average assessment cost per parcel at \$29.61.

On average, property owners in Ulster County will pay 2.57% of their property’s fair market value in taxes each year.

The equalized tax rate value ranges from \$16.81 per thousand dollars of assessed value in the Town of Olive to \$29.33 per thousand dollars of assessed value in the Town of Marlborough.

Are the current assessment procedures uniform throughout Ulster County?

There are a total of 22 assessing units and 21 assessors in Ulster County. Almost all assessors also have an office staff to assist them. Adding the total number of assessors to the total office staff shows that there are 50.25 budgeted positions in assessing offices in Ulster County.

Equalization rates range from 1.65% to 100% in Ulster County. Fifteen of the twenty towns in the county have reassessed since 2000. Currently, six towns and the City of Kingston are participating in a program to maintain an annual percentage of 100%.

All municipalities must have a Board of Assessment Review (BAR). The BAR meets once a year to process requests that have been made by property owners to review their property tax assessments. The BAR assures that property owners are given rights to fair decisions regarding property assessments.

Per New York State Real Property Tax Law, the BAR of towns and cities must consist of 3 to 5 appointed members. Each member serves a 5 year term. The majority of the BAR must not be officers or employees of the local government. The municipality’s

assessor and the assessor's staff may not be appointed to the BAR.

New York State Law for villages is different. In the Village of Ellenville, the BAR consists of 5 members, including the Village Mayor, Village Deputy Mayor, and 3 Village Trustees.

Why should Ulster County create a centralized assessment program?

It is estimated that local governments that have shared assessments since 2005 have saved as much as \$12.5 million statewide. By creating assessment programs that are more centralized and by improving the actual practice of assessment, local governments have saved an average 7.2 percent in total assessment costs.

"Reducing the Cost of Tax Assessment Through Shared Services," May 2011, The New York State Office of The State Comptroller.

There are some questions that arise when reviewing assessment procedures in Ulster County. With 21 different assessors with different levels of certification, we cannot ensure that properties are being assessed accurately. For instance, six assessors in Ulster County have achieved the status of I.A.O. (Institute of Assessing Officers), while others have varying levels of certifications. Such variation could lead to unfair tax burdens for property owners.

With latest reassessments among municipalities ranging from the 1950's to 2011, is there really a way to equalize tax rates? With such outdated assessments, these municipalities are more likely to

encounter lawsuits brought by property owners who would like to challenge their assessments.

Currently we cannot be certain that all tax parcels, or property owners, are receiving equal treatment because there are no county-wide guidelines for reassessment. Statewide guidelines for reassessment do exist for the practice of reassessment, and there are suggestions focusing on cyclical reassessments. However, Ulster County still has many different assessors with varying levels of certification reassessing property on different schedules. There is currently no way of specifying the same uniform percentage of value for all assessments. Thus, property owners may be receiving unfair assessments, causing them to get tax bills that are not on par with other tax bills throughout Ulster County. There are ways, however, to move toward greater certainty.

County Assessing Options

According to New York State Real Property Tax Law, Ulster County has many options if it were to seek a more centralized assessment program, including the implementation of the following programs set forth and then described below:

- Ulster County Assessing Program
- Ulster County Offered Assessment Service Program
- Ulster County Consolidated Assessment Unit Program (CAP)
- Coordinated Assessment Program

Under an **Ulster County Assessing Program** the county would become a single assessing unit with one county-wide equalization rate and one county-wide level of assessment. Reassessment would occur on a scheduled basis throughout Ulster County and there would be one county-wide assessment calendar with standardized dates (i.e. taxable status date, final assessment role date).

An **Ulster County Offered Assessment Service Program** allows the county to offer municipalities the options of forming agreements for appraisal services, exemption services, or assessment services. By forming such agreements, there is more consolidation of municipal assessment services. Furthermore, the municipalities involved may choose to operate as a single assessing unit.

An **Ulster County Consolidated Assessment Unit Program (CAP)** allows for multiple municipalities to share the same assessor through a county-provided program. Thus, all properties under this assessor would be assessed at the same level. This program ultimately provides standardized assessment for a wider range of properties and decreases the number of different assessing units in the county.

A **Coordinated Assessment Program** also allows for municipalities to share the same assessor. However, this option is only offered at the municipal level, rather than through the county. Two or more assessing units, excluding villages, may agree to

coordinate assessment services without direct county involvement.

Benefits of County Assessing

Besides the cost savings of a county assessing function, NYSORPS has compiled a list of the benefits of such a function. The list (directly from NYSORPS) is as follows:

- County assessing eliminates tax shifts resulting from changing equalization rates within the county.
- Assessment equity may improve as a result of more regionalized data, analyses, and market monitoring.
- With county assessing, individual municipalities and school districts would no longer be the focus of scrutiny regarding reassessments.
- Taxpayers would likely have more confidence in the tax system if they could see that its administration was highly professional, efficient, and equitable.
- In rural areas, where municipalities are thinly populated, county assessing would result in sufficient pooling of resources to attract or maintain highly qualified and competent assessment officials at a potentially lower per-parcel cost.
- In urban/suburban areas with large cities and large prosperous towns, interactions between assessing offices and the departments responsible for planning, zoning, highway maintenance, E-911 and

other functions could be improved and expanded.

- Counties, which have larger stakes in tax certiorari cases, typically would have greater resources with which to defend assessments.
- County assessment would permit increased specialization of assessing staff in regard to specific types of properties, including utilities, industrial properties and complex commercial properties.
- Assessing staff and resources could be reallocated to respond to emergencies or other events that require coordination across municipal boundaries.
- The number of entities with which utilities and other owners of widely distributed property must deal would be greatly reduced.

Ulster County should implement a program to standardize assessment procedures and maintain assessment records at a county-level. The inconsistencies of assessment throughout Ulster County affect both property owners and local governments. A shared assessment program would lower costs throughout the county and improve the quality of assessments that take place. Updated assessments will eliminate unfair assessments for property owners, will improve the taxpayers understanding of the assessment process, and will allow the full value of property to be used in determining equalization rates. The current system throughout Ulster County that includes

many assessors and no standardized time period between reassessments is not as efficient and effective as it could be. With all of the benefits and state aid available, Ulster County should implement a centralized assessment program.

Ulster County Assessment Facts and Figures (As of May 2011)

Municipality	Equalization Rate (2011)	Equalized Tax Rate per \$1000 (2011)	Taxable Parcels (2010)	Tax Apportionment (2011)	Latest Reassessment	Number of Entire Staff	Type of Assessor	Assessor Works for Multiple Municipalities	Assessment Budget Per Parcel
Denning	18%	\$25.62	1121	0.8%	1974	1	Sole Appointed	Yes	\$11.18
Esopus	100%	\$22.74	4256	4.6%	2011*	2.5	Sole Appointed	No	\$22.45
Gardiner	82%	\$21.63	2899	4.4%	2004	2	Sole Appointed	No	\$21.21
Hardenburgh	65.50%	\$21.63	769	0.8%	1999	1.5	Sole Appointed	No	\$23.85
Hurley	98%	\$22.43	3464	4.6%	2006	1.5	Sole Appointed	No	\$18.30
Kingston, City	100%	\$27.21	8335	9.0%	2011*	3	Sole Appointed	No	\$29.16
Kingston, Town	85%	\$25.79	656	0.5%	2004	7	Sole Appointed	Yes	\$21.49
Lloyd	100%	\$25.28	4234	5.6%	2011*	1.5	Sole Appointed	No	\$28.20
Marbletown	100%	\$21.53	3733	4.8%	2005	2.5	Sole Appointed	No	\$23
Marlborough	100%	\$29.33	3737	4.2%	2011*	2.5	Sole Appointed	No	\$28.98
New Paltz	100%	\$26.74	4090	6.3%	2011*	2	Sole Appointed	No	\$14.02
Olive	100%	\$16.81	3073	6.4%	2006	2	Sole Appointed	No	\$32.72
Plattekill	91.50%	\$26.37	3801	3.7%	2011	2	Sole Appointed	Yes	\$19.04
Rochester	96%	\$21.83	4721	4.1%	2011	2	Sole Appointed	No	\$24.81
Rosendale	100%	\$23.94	2697	2.8%	2011*	2	Sole Appointed	Yes	\$25.61
Saugerties	100%	\$24.41	9277	9.5%	2011*	4	Sole Appointed	No	\$18.89
Shandaken	23%	\$18.78	3397	3.4%	1978	6	Elected Three-Person Board	No	\$19.10
Shawangunk	19.00%	\$26.28	4553	4.8%	1995	2.5	Sole Appointed	No	\$18.99
Ulster	74.50%	\$25.75	5293	6.8%	2003	2	Sole Appointed	Yes	\$35.92
Wawarsing	1.65%	\$27.74	6065	5.8%	1950's	2	Sole Appointed	Yes	\$14.48
Ellenville, Village	6.55%	\$26.50	1378	N/A	1950's	1	Sole Appointed	Yes	\$7.26
Woodstock	91%	\$17.75	4665	7.0%	2004	2.75	Sole Appointed	No	\$23.01

Information obtained from "2011 Annual Report," February 2012, Ulster County Real Property Tax Service Agency and "Ulster County Centralized Property Tax Administration Program – Assessment Study," January 2009, David W. Briggs, IAO, Briggs Appraisal Service

*Participating in program to maintain an annual percentage of 100%